

Exhibit 1

From: Ian O-Flaherty
Sent: Tuesday, June 30, 2009 11:40 AM
To: Philip Wood
Cc: David Leigh; George Egorov; Nikolay Teryaev; Philip Wood; Viacheslav Tsarev
Subject: Re: price machine gunning about to increase

Then GUI ideas sound good to me .

re 'fill on latest rate and avoid rejects'

is that the same as "at best" that EV was talking about

Ian O'Flaherty

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Philip Wood/db/dbcom
30/06/2009 12:30

To
Ian O-Flaherty/db/dbcom@DBEMEA
cc
David Leigh/db/dbcom@DBEMEA, George Egorov/db/dbcom@DBEMEA, Nikolay
Teryaev/db/dbcom@DBEMEA, Viacheslav Tsarev/db/dbcom@DBEMEA, Philip
Wood/db/dbcom@DBEMEA
Subject
Re: price machine gunning about to increase

For the GUI, like Slava, I think David's idea is good - we only update the GUI screen at frequency x to stop the flicker/machine gunning, but you always get filled at the latest rate that your machine has received (the same as happens currently). In addition to this, we could take a similar approach to Barclays on rejects - ie instead of rejecting a trade server-side, we fill it but at the latest rate - so instead of a client seeing a reject, they get a fill on the latest rate. This 'fill on latest rate and avoid rejects' feature you

permission by client. So you could have the status quo (rejects), or you could set it so a client won't see a reject and will get the latest available rate. Won't cut out 100% of rejects but will reduce them a lot by removing most in flight issues.

On the API - still thinking about that one - but we may be able to get agreement on the plan for GUI users in the interim

Philip

Ian O-Flaherty/db/dbcom
30/06/2009 08:48

To
Viacheslav Tsarev/db/dbcom@DBEMEA
cc
David Leigh/db/dbcom@DBEMEA, George Egorov/db/dbcom@DBEMEA, Nikolay Teryaev/db/dbcom@DBEMEA, Philip Wood/db/dbcom@DBEMEA
Subject
Re: price machine gunning about to increase

Phil, David

What are the next steps on this ?

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Viacheslav Tsarev/db/dbcom
26/06/2009 18:28

To
Ian O-Flaherty/db/dbcom@DBEMEA
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David Leigh/db/dbcom@DBEMEA, Nikolay Teryaev/db/dbcom@DBEMEA, Philip Wood/db/dbcom@DBEMEA, George Egorov/db/dbcom@DBEMEA
Subject
Re: price machine gunning about to increase

Ian,

yes - you are correct - our API clients subscribe for a currency pair - and they get notified whenever there is a change in the stack. The client is supplied with a new Quote - which is effectively a full stack. There is a possibility to RFS for a certain amount, but it is not widely used because it has certain limitations.

A brief measurement shows that subscribing for 1M Ladder10 non-cross (EURUSD,USDCAD) is unlikely to give significant reduction in the number of updates. For triangulated cross (GBPUSD) the numbers can be around 30% in reduction of price updates. For more complex crosses (GBPCAD) the number of duplicate updates can go up to 40% (the numbers will vary depending on the time of the day / ladder / client rounding settings - there is no comprehensive data on this now).

Bearing in mind that an api change and integration effort is required to let API clients benefit from subscription for a particular amount, I believe that another way to improve clients' experience would be to come up with an algorithm to clear our price updates from excessive "noise". Maybe Philip can comment if there are plans on this.

For GUI, I think David's suggestion on throttling price updates makes perfect sense.

Regards,
Slava Tsarev

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Ian O-Flaherty/db/dbcom
05/29/2009 07:07 PM

To
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Nikolay Teryaev/db/dbcom@DBEMEA, Philip Wood/db/dbcom@DBEMEA, Viacheslav Tsarev/db/dbcom@DBEMEA

Subject

Re: price machine gunning about to increase

Question

If I am looking at a price for 1 mio and that rate does not change but somewhere else in the stack there is a change , we update the price for 1 mio even though it hasnt changed ?

If so , I understand the change, but for a client that subscribes for a certain amount they will see more updates versus rate changes

Am I correct?

If so , is there anything we can do to improve this for the client experience?

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David Leigh/db/dbcom
29/05/2009 10:51

To

Philip Wood/db/dbcom@DBEMEA, Nikolay Teryaev/db/dbcom@DBEMEA, Viacheslav Tsarev/db/dbcom@DBEMEA, Ian O-Flaherty/db/dbcom@DBEMEA

cc

Subject

price machine gunning about to increase

We had a call with FXCM yesterday where they mentioned that they throttle price updates to their users GUI to one every 500ms which they need to do as they get so many price updates from banks.

Next month the EBS Live update frequency increases to once every 100ms from once every 250ms. So for EBS pairs our prices will move more than they do now - I guess around twice as much in busy markets, and the effect will be most noticeable in the trainges, so chf, gbp, jpy. I have heard comments from sales and clients since we introduced decimilisation that we move our price a lot and more than the competition. We should be aware that this effect is going to increase.

I wonder if we will need to start throttling price updates in the GUI, so it only updates the price a fixed time after the previous update. You would still be trading on the last price your machine received but this wouldnt always be the price you had on the screen. I appreciate it moves away from a 'what you see is what you get approach' but the danger is we will start moving so fast that you can't see what your trying to get anyway.

As an aside, I am pretty sure the competition must do this, if we think of the EBS outages the market had where other banks kept pricing up, they must be combining more market data sources than us and so would have reached this obstacle some time ago

Cheers

David